



Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, FEBRUARY 18, 1994

AT
(202) 616-2771
TDD (202) 514-1888

**DEPARTMENT OF JUSTICE APPROVES CALIFORNIA BUSINESS GROUP'S
PLAN TO FORM PURCHASING GROUP TO BUY HEALTH CARE BENEFITS**

WASHINGTON, D.C. -- San Francisco area businesses can join together to seek health care coverage at a lower price, under a plan approved today by the Justice Department's Antitrust Division.

The Bay Area Business Group on Health is a non-profit corporation which will ask several health maintenance organizations (HMOs) to bid on two standard benefit plans and negotiate prices. Sixteen California companies have expressed interest in joining the purchasing group.

Today's action is part of an Administration effort, unveiled in September, to encourage innovative arrangements to make health care available to more employees at a reasonable cost. The Justice Department is available to state its enforcement intention concerning proposed business conduct with antitrust implications.

The Department's approval of the Bay Area plan was stated in a business review letter from Anne K. Bingaman, Assistant

(MORE)

Attorney General in charge of the Antitrust Division, to the group's counsel.

Bingaman said that the proposal has the potential to create efficiencies in the delivery of HMO services that could result in lower health care costs.

Under the Department's business review procedure, an organization may submit a proposed action to the Antitrust Division and receive a statement whether the Division will challenge the action under the antitrust laws.

A file containing the business review request and the Department's response may be examined in the Legal Procedure Unit of the Antitrust Division, Room 3235, Department of Justice, Washington, D.C. 20530. After a 30-day waiting period, the documents supporting the business review will be added to the file.

###